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20 September 1956

MEMORANDUM FOR THE RECORD

SUBJECT: AERODYNAMIC - Soviet Activities in the U.S.A. and Canada

1. For several months past, unknown to the general public, a great campaign has been launched by the Soviet government for the purpose of collecting dollar funds in the U.S.A. and Canada. This campaign very adroitly utilizes the liberalization of the relationship between the East and the West, and exploits the compassion which the emigre from the USSR has towards their relatives and friends in the Soviet Union.

2. In the Spring of this year, Intourist, Inc. opened up mailing operation to the USSR. The first agency has been opened in Toronto, Canada, and the man who has been selected to run it is a certain J. Janinski, who has started this business under the name of Janique Trading Co. Since that time the mailing of packages to the USSR has assumed the proportion of a wholesale business. Hundreds of enterprises at the present time are doing business in the U.S.A. and Canada and exploiting the possibility of "bleeding up" and of collecting large sums of dollars for the Soviet government.

3. The organization of the mailing business has been devised very cleverly and in such a way that it could not be utilized for any propaganda against the USSR because the establishment of the agency requires Soviet approval and only selected individuals are permitted to run this business. The relatives and friends of the people in the USSR are required to pay mailing fees and special taxes under various and numerous guises that clear for the Soviet government 100% of the cost of the package. In addition, the agent himself receives \$8.00 per package for his part in the undertaking. To give an illustration of the procedure, attached is a copy of an invoice by which merchandise valued at \$7.60 has been shipped to the recipient in the Ukraine at a cost of \$27.00, which amounts to almost 300% of the cost of the goods.

4. Also attached is a list of agencies dealing with this business, but this list is far from being complete because it concerns only the Ukrainian emigre and specifically those who are subscribing to the Ukrainian newspaper Svoboda, since the source of information is the advertising placed by these companies in that newspaper during the last six months.

5. It would seem that the size and importance, as well as the gradual expansion of the operation would require attention from the point of view of the possibilities which this Soviet activity presents as a threat in the form of providing funds

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for their propaganda, and it would seem that in view of that, a publicity campaign should be started advertising the cost of exorbitant charges demanded by the Soviet government in permitting to help their own "under-privileged" people.

6. At the same time, this operation provides a limited but interesting possibility for utilizing the information obtainable through it for the purpose of our anti-Soviet propaganda. This phase could be illustrated by the attached copy obtained through Prolog Associates from one of the agencies which they were able to infiltrate. It can be seen from this attachment that we acquire valuable addresses of Soviet people in the USSR and of their relatives in the United States and Canada.

7. This mailing campaign, according to definite information available to Prolog Associates, is launched as a corollary of the liberalization in the USSR, and a number of people released from the concentration camps and prisons are being utilized as pawns in this campaign. As an illustration of this fact, a case of the Principal Agent in Prolog Associates could be taken as an example. Mr. Lebed's father has been used as a decoy and bait for trying to influence his son. Mr. Lebed's father, who was in a concentration camp until a month ago, has written his son a letter and has sent him a photograph asking him for help and requesting him to enter into correspondence with him. Mr. Lebed responded by sending him one of the packages through the organization mentioned above. A photostatic copy of this communication is attached.

[SR/PP]

Attachments (4)

- Copy of Invoice (cited in para 3)
- List (cited in para 4)
- List (cited in para 6)
- Photostat (cited in para 7)

SR/PP: [

- Orig & 1 - C/SR/PP
- 2 - SR/PP]

L i s t

of firms and companies which mail packages with food, clothing, leather and medicines behind the iron curtain and which placed their ads with Syoboda, Ukr. Daily, Jersey City, N.J. during the last half-year.

- (1) R.W. Export-Import Co. Owners: ~~Wesyl Weresch~~ and ~~Roman Hankowes~~

(a) New York, 116 East 7th Str.
(b) Philadelphia, Pa, 825 N. Franklin Str.

(The manager of the Philadelphia division of this company is a Ukrainian woman. ~~The Phila Inquirer~~ made an interview with her and threw some light on the business of mailing packages behind the iron curtain).

- (2) United Overseas Parcel Service

1263 N. Paulina Str. CHICAGO, Ill.

- (3) Kowbasniuk Agency

277 East 10th Str. New York 9, N.Y.

Owners: ~~Vira Kowbasniuk-Shumeyko~~, ~~Anthony Shumeyko~~
Mail ~~PKA~~AO packages to all countries of Europe.

- (4) Lampert and Polimax Co.

45, Cromwell Road, London S.W.7, England.

One of the biggest companies of that sort.

- (5) King Fashionable Belt Company, Inc.

25 West 36th Str. New York 18, N.Y.

Owners: ~~Oleksa~~ and ~~Pavlo HXKA~~. Specializes in mailing leather.

- (6) Amerpol Enterprises

11601 Jos. Campan, Detroit 12, Mich.

6418 Michigan Ave. Detroit 10, Mich.

One of the biggest Polish enterprises of that kind.

- (7) Package Express Co

314 Market Str, Newark, N.J.

- (8) United Express Package Co.

200 2nd Ave, New York
305 Market St. Newark, N.J.

- (9) J. Kaminski, Janique Trading Co.

835 Queen St. W. TORONTO, Ont. Canada

Biggest firm in Canada. Has branches in New York, Buffalo, Newark, Pittsburgh, Philadelphia, Minneapolis, Cleveland, Chicago, in the USA and in Winnipeg, St. Catharines, Hamilton, Edmonton, Windsor in Canada.

- (10) J. Nawrocki Agency

617 Grove St. Irvington 11, N.J.

- (11) Connecticut Leather Co.

75 Windsor St. Hartford, Conn.

Specializes in mailing leather, shoes, etc.

- (12) Zorya Parcels Owner: I. Powsaniuk

36 East 2nd Str. New York 3, N.Y.

- (13) Central Parcel Service

90 Adelaide South, London, Ont. Canada

- (14) B. Feldman Pharmacy

111 Ave A, New York City

Specializes in mailing medicines: stryptomycin, penicillin, etc.

- (15) Slav-Baltic Package Co.

107 Springfield Ave, Newark, N.J.

- (16) Rallington Corporation

303 West 42nd Str. New York City

Owner: M. Grey (Krushko)

- (17) Special European Express Service

275 Steele Str, Port Colborne, Ont. Canada

- (18) Eastern Package Express Co

324 Hudson Str. Rochester 5, N.Y.

- (19) W. Frysztacki

214 Fairmount Ave, Philadelphia 23, Pa

Much advertised company in Phila, Pa

- (20) Browne Jones Ltd.

1 Norfolk Place, London W.2. England

(21) Tempo Gift Parcel Co.

100 W 72nd St. New York 23, N.Y.

(22) Tazab & Co

10 East 39 St. New York, N.Y. Tel. MU 4-3281

(23) Universal Packages, Inc.

189 Second Ave, near 12 St. New York, N.Y. Tel AL 4-1193

(24) Masar Trading Co.

852 Dundas St. West, Toronto, Ont. Canada, Tel. EM 3-5520

Firms Mailing Packages Behind the Iron Curtain

(1) Mailing packages behind the iron curtain from the USA and Canada is a big business at present. Hundreds of enterprises are doing this business at present exploiting the great urge to help the relatives and friends behind the iron curtain. There are hundreds of thousands of people who are constantly mailing the packages behind the iron curtain of considerable value e.g. there are people who have already mailed packages of \$ 2000 value and more.

(2) The first firm which started advertising its services in Ukrainian press was J. Kamienski, Janique Trading Co. in Toronto, Canada. This firm has its branches and agencies in practically all cities and towns of the USA and Canada. Kamienski has been mailing food, clothing, etc. In Spring, 1956, Intourist Inc. opened its mailing house in Toronto and began to accept goods bought by the customers themselves, new and old (used). Today there are hundreds of such firms in the USA and in Canada who offer their mailing services behind the iron curtain. They are independent firms or branches of already existing firms.

(3) The people who want to send package behind the iron curtain can bring to the mailing firm goods bought by themselves as well as used clothing, etc. If they want to mail leather, they only pay its value and the leather is delivered from Poland or Eastern Germany. Mailing fees and taxes amount to 100 per cent for new goods and 50-75 per cent for old(used) wares. The goods cannot be packed by customers themselves: they should be brought to the mailing house which makes packages itself according to regulations. The weight of one package cannot exceed 22 lbs brutto i.e. approximately 18 lbs netto plus 4 lbs for packing and wrapping materials.

(4) In addition to mailing taxes which amount to 50-100 per cent of value of the goods, the mailing houses accept following fees:

- 10 per cent USSR fee from value of the package
- USSR custom duties according to the tariffs
- USSR inspection fee (appr. 20 per cent)
- 1 per cent USSR fee
- \$ 1.50 for fumigation
- Post duties (parcel post - very high)
- Guarantee fee
- Notification fee
- Service fee

As to the service fee, the mailing firms accept \$ 8.00 minimum fee for a package, but they can be also considerably higher.

(5) For a package mailed from New York to Ukraine of \$ 8.60 value (used clothing) plus

See enclosure